

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> General Services Agency	<b>(2) MEETING DATE</b> 5/13/2014	<b>(3) CONTACT/PHONE</b> Machelie Vieux, Deputy Director General Services (805) 781-5200	
<b>(4) SUBJECT</b> Letter transmitting contract documents (Clerk's File) for approval and advertisement for bids, and authorize Director of General Services Agency to award two (2) Job Order Contracts. Bid opening date set for Thursday, June 12, 2014. All Districts.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve and adopt the Contract Documents (Clerk's File) for Job Order Contracts (JOC), JOC14-1 and JOC 14-2;</li> <li>2. Authorize the contracts to be advertised for bids, calling for sealed bids no later than 3:00 PM on June 12, 2014; and</li> <li>3. Authorize the Director of General Services Agency to prepare, award and execute two (2) Job Order Contracts, JOC14-1 and JOC14-2, to provide services to County facilities for repair, remodeling, refurbishment and other repetitive work of County facilities, with a total not-to-exceed amount of \$4,509,176 for each JOC contract.</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Budgeted Maintenance and Capital Projects	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> Each project separately budgeted and funded prior to award of individual job order.	<b>(8) ANNUAL FINANCIAL IMPACT</b> Minimum award of \$50,000 (each Contract) to a potential total award of all job orders not-to-exceed \$4,509,176 (each Contract)	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> No	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date: 11/9/2004	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b>			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Machelie Vieux, Deputy Director General Services  
(805) 781-5200

DATE: 5/13/2014

SUBJECT: Letter transmitting contract documents (Clerk's File) for approval and advertisement for bids, and authorize Director of General Services Agency to award two (2) Job Order Contracts. Bid opening date set for Thursday, June 12, 2014. All Districts.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve and adopt the Contract Documents (Clerk's File) for Job Order Contracts (JOC), JOC14-1 and JOC14-2;
2. Authorize the contracts to be advertised for bids, calling for sealed bids no later than 3:00 PM on June 12, 2014;
3. Authorize the Director of General Services Agency to prepare, award and execute two (2) Job Order Contracts, JOC14-1 and JOC14-2, to provide services to County facilities for repair, remodeling, refurbishment and other repetitive work of County facilities, with a total not-to-exceed amount of \$4,509,176 for each JOC contract.

## **DISCUSSION**

A Job Order Contract (JOC) is an annual, competitively bid, firm fixed price contract vehicle that General Services Agency has used since 2000 to complete countywide maintenance and repair projects. JOC uses unit pricing to reduce the level of effort for engineering, design, and contract procurement time. While the unit pricing method of the JOC contract encompasses a wide variety of renovation and repair, individual job orders are issued for a specific scope of work.

Public Contract Code section 20128.5 allows the annual award of JOC not to exceed \$3,000,000 adjusted to reflect the percentage change in the California Consumer Price Index (CPI) for repair, remodel, or other repetitive work by unit prices. The current calculation for CPI allows for award of each JOC contract not to exceed \$4,509,176. See Attachment "A" for chronological history of prior Job Order Contracts awarded by the Board of Supervisors.

For 14 years, JOC has provided a contracting vehicle that expedites processing time for maintenance and repair projects. The current contract for FY 2013-14 will expire on July 29, 2014. The new JOC contracts will provide the County the opportunity to offer this cost effective and timely project delivery method without interruption through June 2015. See Attachments B and C for examples of previous year's bid results and Job Order Contract Agreement.

In past years, the County has awarded a single JOC contract. Today's request to solicit and award two concurrent JOC contracts is intended to stimulate more local business participation, performance competition, and avoid overloading one contractor with simultaneous procurement actions. Having two awarded JOC contracts enables the County to effectively assign selected scopes of work to the contractor that can best accomplish the work based on level of expertise and

proficiency.

The basis of the JOC contract is the use of unit pricing through a Construction Task Catalog (CTC). The CTC contains pre-determined unit prices for thousands of construction tasks. The CTC includes activities for repair and maintenance tasks, such as roof repair, air conditioning repairs, renovation of spaces, installing carpeting, replacing windows or doors, and painting.

Bidding of a JOC is based on a coefficient (a multiplier) applied to the pre-determined unit prices in the CTC. The coefficient must include the contractor's overhead and profit, and any adjustment factors to the CTC, based on the contractor's costs in the contract location (functions of labor costs, subcontractor base, market conditions and client-specific conditions).

Award of the one-year JOC contract is determined by the lowest price factor for responsive and responsible bidders. At the time of award, no funding is encumbered. Funding is encumbered through the award of individual job orders subsequent to the award of the JOC. After contract award, and during the course of the contract, the coefficient will be used to calculate the price for each job order. The pre-determined unit prices found in the CTC for each task will be multiplied by the quantity and the coefficient to develop a price for each job order. Since no funding is encumbered through the award of the contract, the General Services Agency Director requests authorization to execute and award two Job Order Contracts, JOC14-1 and JOC 14-2.

After award of the JOC, the County and the contractor will follow the same five steps for each project job order: (1) Conduct a joint scope meeting at the site to review and discuss the work and the construction schedule; (2) County staff prepares a detailed scope of work; (3) the contractor prepares and submits a price proposal (including CTC unit prices, quantities, and coefficient), a proposed construction schedule, list of subcontractors, and other applicable documents; (4) County staff reviews the price proposal; and (5) if the County agrees with price, schedule, subcontractors, etc., then a job order will be issued for the project.

A JOC contract follows certain procedures leading to an agreement focusing on achieving good work performance at a reasonable cost. Among the procedures leading to the formalization of a JOC contract are the following items and provisions:

- Standard specifications established in a master contract with a summary of work, also including any specific or client-driven conditions.
- A CTC containing pre-determined unit prices for construction tasks.
- County issues an invitation to bid, awarding to the lowest responsive and responsible bidder.
- A guarantee of a minimum amount of work for the contractor.
- Issuance of contractor's work orders based on County's requirements.
- Costs for individual work orders are calculated by multiplying the preset unit prices by the quantities multiplied by the contractor's coefficient.
- Open communication between the County and JOC contracting team, including a kick-off partnering session between key stakeholders utilizing the contract.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Environmental Division of the Planning and Building Department reviews all projects within the Capital and Maintenance Project Programs for conformance with the California Environmental Quality Act (CEQA) and other environmental requirements. The Office of the Auditor Controller coordinates with GSA General Services to determine which projects qualify for the JOC program and County Counsel reviews the Agreement for form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

JOC contracts do not encumber funding; individual job orders do. All construction funding for JOC will be made from Board approved and appropriated Capital and Maintenance project budgets. There are no budget adjustments necessary for the action requested.

The California Public Contract Code allows a maximum award of \$3,000,000 adjusted by the California CPI from February, 1998. During the period February, 1998 through February, 2014, the California CPI has increased 50.3 percent. The JOC14-1 and JOC14-2 proposed maximum dollar amount for each contract will be \$4,509,176. The maximum contract value does not commit the County to issue job orders for the full amount, but it gives the County the flexibility to do so if in the best interest of the County.

From the FY 2000-01 through FY 2012-13, the County awarded 550 job orders for a total construction cost of \$22,249,709. Through April 29, 2014, there have been 13 job orders approved under JOC for FY 2013-14, for a total construction cost of \$1,059,017.

The following table outlines previous JOC expenditures based on minimum and maximum contract awards allowed by the Public Contract Code.

Job Order Contract	Min. Award (Required)	Actual Award (To Date)	Est. Total Award	Max. Award (Allowed)
FY 2000-01 thru FY 2012-13	\$600,000 (\$50,000/year)	\$22,249,709	-----	-----
FY 2013-14	\$50,000	\$1,059,017	\$4,265,825	\$4,442,538
FY 2014-15	\$50,000 (JOC14-1) & \$50,000 (JOC14-2)	-----	\$4,000,000 + (aggregate JOC14-1 & JOC14-2 Contracts)	\$4,509,176 (JOC14-1) & \$4,509,176 (JOC14-2)
TOTAL	-----	\$23,308,726	-----	-----

## **RESULTS**

The JOC program significantly reduces the time and expense of the common design/bid/build process utilized for many construction projects. It is a procurement program that enables the County to accomplish a large number of small and medium-sized, maintenance and renovation projects with a single, competitively bid construction services contract. The major advantages of JOC include: (1) fast and timely delivery of projects; (2) low overhead cost of construction procurement and delivery; (3) development of a partner relationship based on work performance; (4) reduced legal fees; (5) minimization of change orders; and (6) standard pricing and specification utilizing a published CTC resulting in efficient and effective estimating, design, and fixed price construction.

Approval by the Board to continue with the JOC project delivery program provides an invaluable construction services procurement tool for General Services. It is conservatively estimated that at least 2 months of processing time is saved per project when using the JOC program. It allows General Services to deliver construction projects in a timely and cost effective manner, necessary to accommodate the facility needs of County departments and the public.

## **ATTACHMENTS**

PJOC14 – Attachment A – Chronology of Job Order Contract Board Actions  
PJOC13 – Attachment B – JOC13 Bid Results for Reference (from FY 2013-14)  
PJOC13 – Attachment C – JOC13 JOC Agreement for Reference (from FY 2013-14)  
JOC14-1 and JOC14-2 contract documents (Clerk's file)